

ASSEMBLY BILL

No. 1771

Introduced by Assembly Member V. Manuel Pérez

February 14, 2014

An act to add Section 1374.14 to the Health and Safety Code, and to add Section 10123.855 to the Insurance Code, relating to health care coverage.

LEGISLATIVE COUNSEL'S DIGEST

AB 1771, as introduced, V. Manuel Pérez. Telephonic and electronic patient management services.

Existing law, the Knox-Keene Health Care Service Plan Act of 1975, provides for the licensure and regulation of health care service plans by the Department of Managed Health Care and makes a willful violation of the act a crime. Existing law also provides for the regulation of health insurers by the Insurance Commissioner. Existing law prohibits a health care service plan or health insurer from requiring in-person contact between a health care provider and a patient before payment is made for covered services appropriately provided through telehealth, which is defined to mean the mode of delivering health care services via information and communication technologies, as specified.

This bill would require a health care service plan or a health insurer, with respect to contracts and policies issued, amended, or renewed on or after January 1, 2015, to cover physician telephonic and electronic patient management services and to reimburse those services at the same level and amount as face-to-face patient encounters with similar complexity and time expenditure. Because a willful violation of the bill's requirements by a health care service plan or health insurer would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature hereby finds and declares all of
2 the following:

3 (a) The lack of primary and specialty care physicians continues
4 to be a significant barrier to individual access to health care
5 services, a barrier that will only be exacerbated by health care
6 reform efforts that will increase the number of insured individuals.

7 (b) Telephonic and electronic patient management is the use of
8 electronic communication tools, such as the telephone and
9 electronic mail, to enable treating physicians to evaluate and
10 manage their existing patients in a manner recognized by the
11 American Medical Association, Current Procedural Terminology
12 codes.

13 (c) Telephonic and electronic patient management is an effective
14 strategy to address the problems associated with the physician
15 shortage in California, as it increases physician practice efficiency
16 through the reduction of unnecessary office visits and increases
17 productivity by allowing physicians to treat more patients.

18 (d) In addition, studies have shown that telephonic and electronic
19 patient management reduces costs and yields positive results for
20 health care payers due to the reduced use of costly services and
21 reported improvements in quality of care.

22 (e) Consumers of health care will benefit from telephonic and
23 electronic patient management in many ways, including expanded
24 access to physicians, faster and more convenient treatment, better
25 continuity of care, and reduced lost work time and health care
26 costs.

27 (f) While some third party-payers reimburse physicians for
28 telephonic and electronic patient management, some do not even
29 though that reimbursement would assist in improving the physical
30 and economic health of the state.

1 SEC. 2. Section 1374.14 is added to the Health and Safety
2 Code, to read:

3 1374.14. (a) Notwithstanding any other law, a health care
4 service plan shall, with respect to plan contracts issued, amended,
5 or renewed on or after January 1, 2015, cover physician telephonic
6 and electronic patient management services and reimburse those
7 services at the same level and amount as face-to-face patient
8 encounters with similar complexity and time expenditure.

9 (b) This section shall not be construed to authorize a health care
10 service plan to require the use of telephonic and electronic patient
11 management services when the physician has determined that those
12 services are not medically appropriate.

13 (c) This section shall not be construed to alter the scope of
14 practice of a health care provider or authorize the delivery of health
15 care services in a setting, or in a manner, that is not otherwise
16 authorized by law.

17 (d) All laws regarding the confidentiality of health information
18 and a patient's rights to his or her medical information shall apply
19 to telephone and electronic patient management services.

20 (e) This section shall not apply to a patient under the jurisdiction
21 of the Department of Corrections and Rehabilitation or any other
22 correctional facility.

23 (f) For purposes of this section, "telephonic and electronic
24 patient management services" means the use of electronic
25 communication tools, such as the telephone and electronic mail,
26 to enable treating physicians to evaluate and manage existing
27 patients in a manner recognized by the American Medical
28 Association, Current Procedural Terminology codes.

29 SEC. 3. Section 10123.855 is added to the Insurance Code, to
30 read:

31 10123.855. (a) Notwithstanding any other law, a health insurer
32 shall, with respect to policies of health insurance issued, amended,
33 or renewed on or after January 1, 2015, cover physician telephonic
34 and electronic patient management services and reimburse those
35 services at the same level and amount as face-to-face patient
36 encounters with similar complexity and time expenditure.

37 (b) This section shall not be construed to authorize a health
38 insurer to require the use of telephonic and electronic patient
39 management services when the physician has determined that those
40 services are not medically appropriate.

1 (c) This section shall not be construed to alter the scope of
2 practice of a health care provider or authorize the delivery of health
3 care services in a setting, or in a manner, that is not otherwise
4 authorized by law.

5 (d) All laws regarding the confidentiality of health information
6 and a patient's rights to his or her medical information shall apply
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12 patient management services" means the use of electronic
13 communication tools, such as the telephone and electronic mail,
14 to enable treating physicians to evaluate and manage existing
15 patients in a manner recognized by the American Medical
16 Association, Current Procedural Terminology codes.

17 SEC. 4. No reimbursement is required by this act pursuant to
18 Section 6 of Article XIII B of the California Constitution because
19 the only costs that may be incurred by a local agency or school
20 district will be incurred because this act creates a new crime or
21 infraction, eliminates a crime or infraction, or changes the penalty
22 for a crime or infraction, within the meaning of Section 17556 of
23 the Government Code, or changes the definition of a crime within
24 the meaning of Section 6 of Article XIII B of the California
25 Constitution.